Local Government Mandate Statement Kentucky Legislative Research Commission 2020 Regular Session

Part I: Measure Information

Bill Request #: 1361
Bill #: _ HB 367 HCS 1
Document ID #:
Bill Subject/Title: AN ACT relating to fees that are established for services provided by elected officials.
Sponsor: Representative Chad McCoy
Unit of Government: X City X County X Urban-County Unified Local X Charter County X Consolidated Local X Government
Office(s) Impacted: All elected county officials.
Requirement: Mandatory _X_ Optional
Effect on Powers & Duties: Modifies ExistingX Adds New Eliminates Existing

Part II: Bill Provisions and the Estimated Fiscal Impact Relating to Local Government

HB 367 HCS 1 creates a new chapter of KRS Chapter 64 to allow elected officials to charge a lower fee than stated in the statute when it has been determined that the statutory fee amount is not needed to perform the services or to meet the budgetary needs of the elected officials' public office or the county and when approved by the fiscal court. If a lower fee is charged, the elected official shall post a schedule of effective fee rates on his or hers official web site and at the elected official's office for public viewing. The official is required to keep a historical record of any fee rate changes by date for audit purposes. The lower fee shall be applicable to all citizens within the jurisdiction.

This proposal would affect fees that are charged by the county judge/executive, county clerk, county attorney, sheriff, jailer, coroner, surveyor, property valuation administrator, justice of the peace, magistrate, county commissioner, and constable.

Neither the elected official nor the fiscal court shall have the authority to reduce the revenues to be generated on behalf of the Commonwealth or any other entity.

The fiscal impact of HB 367 HCS 1 on local governments is indeterminable.

The two elected offices that stand to be impacted the most are the County Clerk and the Sheriff.

KRS 64.012 lists 58 fees charged by the County Clerk, 23 fees with a base rate of \$12, 34 fees between \$3 and \$50, and one being \$200.

KRS 64.090 lists 32 fees charged by sheriff, 31 fees between \$3.00 and \$30, and one being \$60.

A reduction in fees by the county clerks and sheriffs will directly impact their operating budgets and any excess funds available to the fiscal court.

In counties of 70,000 or more population, all fees collected by county clerks, sheriffs, and their deputies are paid directly into the State Treasury. In return, the salaries and office expenses of the officers and their deputies are paid out of the State Treasury on warrants drawn by the treasurer at the request of the county clerk or sheriff. The total amount paid the officers in salaries and office expenses may not exceed 75 percent of the fees collected by the officer. The state pays the other 25 percent to the fiscal courts or urban-county governments of the counties on April 15, July 15, October 15, and January 15.

In counties of less than 70,000 population, the officer may receive the maximum compensation established by the constitution and by statute, plus office expenses, including compensation of deputies and assistants (Ky. Const., sec. 246; KRS 64.152 and 134.192). Any revenue derived from fees in excess of the officer's compensation and expenses is transferred to the county (KRS 64.152 and 134.192).

County clerks and sheriffs may invest funds temporarily in excess of operating needs in specified financial instruments and institutions. A reduction in fees might result in less money for investing.

Part III: Differences to Local Government Mandate Statement from Prior Versions

HB 367 HCS 1 keeps the provisions of HB 367 as introduced with the following changes:

- The list of elected county officials is expanded to include magistrates and county commissioners.
- Fiscal court must approve any reduction in fee(s) sought by an elected official.
- Clarifies that the lowering of fees is dependent on the budgetary needs of the elected official's public office *or the county*.
- Clarifies this proposal applies to fees charged (not retained) by the elected official.

- Neither the elected official nor the fiscal court shall have the authority to reduce the revenues to be generated on behalf of the Commonwealth or any other entity.

The impact to local governments from the House Committee Substitute remains the same as it did for the bill as introduced and indeterminable.

Data Source(s): LRC Staff; LRC Informational Bulletin No.115: County Government in

Kentucky

Preparer: Wendell F. Butler **Reviewer:** KHC **Date:** 2/20/20